



Summary of Resolution Plan

The Goldman Sachs Group, Inc.

June 29, 2012

The Goldman Sachs Group, Inc. Introduction to Our Resolution Plan

Resolution Planning Background

- Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) requires certain large bank holding companies and non-bank financial institutions, including The Goldman Sachs Group, Inc. (“Group Inc.” and together with its consolidated subsidiaries “Goldman Sachs,” “GS Group,” “Firm,” “our,” “us” or “we”), to develop a resolution plan. A resolution plan should provide the details necessary to facilitate a rapid and orderly resolution of a covered company facing material financial distress or failure
- On October 17, 2011 the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”), together with the Federal Deposit Insurance Corporation (the “FDIC”) (collectively, our “Supervisors”), released the final rule (the “Final Rule”) implementing the requirement in Dodd-Frank that covered companies prepare resolution plans. These resolution plans are intended to help covered companies, the Federal Reserve Board, the FDIC and the Financial Stability Oversight Council better respond to the financial distress of a systemically important financial company
- GS Group is among the covered companies with \$250 billion or more in total nonbank assets that were required to submit resolution plans by July 1, 2012
- The preparation of GS Group’s resolution plan (our “Resolution Plan”) was designed to be an iterative process between GS Group and our Supervisors
- We believe that the resolution planning process, as required by our Supervisors, is a critical building block in the development of orderly resolution plans for major financial institutions that will address the “too big to fail” problem, an objective we fully support. We also support the goal that all financial institutions, regardless of size or complexity, should be able to be resolved without cost to the taxpayer
- We look forward to working with our Supervisors on the next steps in this process, including the role of recovery plans, and the use of additional stress scenarios
- These next steps might materially alter the specific choices undertaken as part of the recovery and/or resolution planning process

The Goldman Sachs Group, Inc. Introduction to Our Resolution Plan (cont'd)

Goldman Sachs' Resolution Plan

- Recovery plans and resolution plans are intended to facilitate the restructuring of a financial institution that finds itself under great stress in order to either preserve the going concern nature of the organization or to resolve it (i.e., an orderly wind-down of the organization). Recovery plans focus on the steps that management would take to reduce risk, divest non-core businesses and conserve capital in times of severe stress. In contrast to a recovery plan, a resolution plan is premised on failure. The objective of a resolution plan is to identify and mitigate obstacles to an orderly resolution, as well as to facilitate advanced planning and co-ordination between the covered company and its supervisors. Such coordinated resolution planning is a valuable learning process for Goldman Sachs and our Supervisors
- While Goldman Sachs has previously submitted a recovery plan to our Supervisors, this is the first submission of our Resolution Plan. Supervisors have set out a specific approach to developing a resolution plan for firms such as GS Group. This approach includes an iterative process (i.e., submission then feedback over a period of time with changed assumptions for future years' submissions). It is important to note that this initial submission of our Resolution Plan is also based upon specific guidance and baseline assumptions provided to us by our Supervisors. Additionally, and in accordance with the Final Rule and Dodd-Frank, our Resolution Plan assumes no extraordinary government support and further assumes that the Firm is resolved under the U.S. Bankruptcy Code and other applicable liquidation proceedings
- Specifically, our Resolution Plan has been prepared with the following baseline assumptions provided to us by our Supervisors:
 - Sudden, idiosyncratic material financial distress at GS Group with no previous disruption to the markets
 - All Material Entities of GS Group have entered some form of bankruptcy
 - Markets are functioning normally
 - Other market participants are assumed to be in good financial condition
 - Funding markets are open for other market participants
 - No extraordinary government support

The Goldman Sachs Group, Inc. Introduction to Our Resolution Plan (cont'd)

- The circumstances leading to the failure of a systemically important financial institution will likely be different than the specific assumptions listed above, and we expect that future submissions of our Resolution Plan will include other scenarios and will have different assumptions. These changes might materially impact the specific choices undertaken as part of a resolution process. We would also expect that future iterations of our Resolution Plan may include consideration of potential actions under the FDIC's Orderly Liquidation Authority and other supervisory approaches contemplated by the relevant statutes. These alternative approaches may be more appropriate for certain firms in some specific situations, while still ensuring that bank failures create no cost to the taxpayer
- In understanding our Resolution plan, it is also important to recognize the integrated nature of international financial markets. The Firm manages its businesses with regard to the enterprise as a whole. The methodology for serving our clients, managing risk, and maximizing group wide profitability is dependent on the global capabilities of the Firm. As such, a significant portion of the Firm's activities require cross-border coordination in order to facilitate the needs of our clients, and this coordination will extend into the resolution process, including the coordination of our Supervisors across those jurisdictions where we have the greatest concentration of our businesses
- Based on the specific assumptions provided by our Supervisors, for this baseline scenario, we believe that our Resolution Plan, in conjunction with the Firm's well-established risk management practices, conservative liquidity management practices and rigorous approach to determining the fair value of our assets, provides a process to enable a GS Group resolution. This conclusion is also based upon:
 - Our strong financial position at December 31, 2011 with a Tier I capital ratio of 13.8% and significant excess liquidity of \$171.6 billion
 - Our assessment of the type of bankruptcy proceedings that would be commenced
 - The alternative resolution strategies we have identified, including the sale of businesses and assets of our Material Entities individually or as a package or by the liquidation of the assets of GS Group
- Our Supervisors require that a summary of the Resolution Plan be made publicly available. Our Supervisors have provided a standardized format, which we have followed in the subsequent pages



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

Table of Contents

<u>Sections</u>	<u>Page</u>
A. Names of Material Entities	6
B. Description of Core Business Lines	7
C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources	10
D. Description of Derivative and Hedging Activities	17
E. Memberships in Material Payment, Clearing and Settlement Systems	18
F. Description of Foreign Operations	19
G. Material Supervisory Authorities	21
H. Principal Officers	24
I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning	26
J. Description of Material Management Information Systems	29
K. High-Level Description of Resolution Strategy, Covering Such Items as the Range of Potential Purchasers of the Company, its Material Entities and Core Business Lines	30



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

A. Names of Material Entities

- “Material Entity” is a term defined in the Final Rule as a subsidiary or foreign office of the Covered Company that is significant to the activities of a Critical Operation or Resolution Business Core Lines (“RBCLs”). The Material Entities we identify herein include those legal entities that meet this criteria
- The following is a list of our Material Entities separated under the headings of the “Covered Company,” “Operating Entities” and “Staffing and Facilities Service Entities”:

Covered Company	Operating Entities	Staffing and Facilities Service Entities
<ul style="list-style-type: none"> ■ The Goldman Sachs Group, Inc. (Parent holding company) 	<ul style="list-style-type: none"> ■ Goldman Sachs Bank USA (FDIC-insured U.S. bank) ■ Goldman, Sachs & Co. (U.S. broker-dealer) ■ Goldman Sachs Execution & Clearing, L.P. (U.S. broker-dealer) ■ J. Aron & Company (Market-Making entity) ■ Goldman Sachs Asset Management, L.P. (Investment advisor, U.S.) ■ Goldman Sachs International (U.K. broker-dealer) ■ Goldman Sachs International Bank (U.K. bank) ■ Goldman Sachs Asset Management International (Investment advisor, U.K.) ■ Goldman Sachs Japan Co., Ltd. (Japanese broker-dealer) 	<ul style="list-style-type: none"> ■ Goldman Sachs Services Private Limited (Indian staffing service entity) ■ Goldman Sachs New Jersey L.L.C. (U.S. staffing service entity) ■ Goldman Sachs Headquarters LLC (U.S. facilities service entity) ■ GSJC 30 Hudson Urban Renewal L.L.C. (U.S. facilities service entity) ■ GSJC Land LLC (U.S. facilities service entity) ■ GSJC Master Lessee L.L.C. (U.S. facilities service entity) ■ Bridgewater ODC, LLC (U.S. facilities service entity) ■ Federal Boulevard, L.L.C. (U.S. facilities service entity) ■ Goldman Sachs Services Limited (U.K. staffing service entity) ■ Goldman Sachs Property Management (U.K. facilities service entity) ■ Birchfield Estates Ltd (U.K. facilities service entity) ■ Goldman Sachs Japan Holdings, Ltd. (Japanese staffing and facilities service entity)



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

B. Description of Core Business Lines

Introduction

- Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Details on our businesses are included in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2012
- Goldman Sachs is a bank holding company and a financial holding company regulated by the Federal Reserve Board. Our U.S. depository institution subsidiary, Goldman Sachs Bank USA (“GS Bank USA”), is a New York state-chartered bank and a member of the Federal Reserve System. GS Bank USA is supervised by the Federal Reserve Bank of New York, the New York State Department of Financial Services and the Consumer Financial Protection Bureau, and is a member of the FDIC
- As of December 2011, we had offices in over 30 countries and 48% of our total staff of 33,300 was based outside the Americas. Our clients are located worldwide, and we are an active participant in financial markets around the world. In 2011, we generated 38% of our net revenues outside the Americas
- Goldman Sachs has a number of important business lines, including: Investment Banking, Institutional Client Services, Investing & Lending and Investment Management. These businesses are the core of the Goldman Sachs franchise and allow it to conduct the breadth and depth of its complete strategy worldwide. In the recovery and resolution process, a variety of subsidiary definitions of businesses that are “core” are required, given the specific objectives of those supervisory processes, which are different from the Firm’s definition of its core lines of business. Recovery planning requires a definition of core and non-core businesses based on the ability of a Firm to separate business lines for sale or closure, to raise liquidity, increase capital ratios and reduce balance sheet size. Resolution planning requires a further definition of core as those business lines and associated support operations, services and functions, that upon failure would result in a material loss of revenue, profit or franchise value, and may need to be singled out for specific actions as part of a resolution exercise. These business lines, which primarily include our Investment Banking and Market-Making activities are defined as Resolution Business Core Lines and are referred to as RBCLs throughout this document. Other business lines, for example Investment Management or Investing & Lending are important for GS Group but have not been defined as an RBCL because they are stand-alone franchises that we would consider to be independent and separable for resolution planning purposes
- This Section B describes only the RBCLs



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

B. Description of Core Business Lines (cont'd)

Investment Banking

- Investment Banking serves corporate and government clients around the world. We provide financial advisory services and help companies raise capital to strengthen and grow their businesses. We seek to develop and maintain long-term relationships with a diverse global group of institutional clients, including governments, states and municipalities. Our goal is to deliver to our clients the entire resources of the Firm in a seamless fashion, with investment banking serving as the main initial point of contact for clients with Goldman
- **Financial Advisory.** Financial Advisory includes strategic advisory assignments with respect to mergers and acquisitions, divestitures, corporate defense activities, risk management, restructurings and spin-offs. In particular, we help clients execute large, complex transactions for which we provide multiple services, including “one-stop” acquisition financing and cross-border structuring expertise. We also assist our clients in managing their asset and liability exposures and their capital. We also engage in derivative transactions directly related to these client advisory assignments. In addition, we may provide lending commitments and bank loan and bridge loan facilities in connection with our advisory assignments (this provision of credit is managed by the Firm’s debt underwriting business but is strategically linked, in part, to the Firm’s Financial Advisory business)
- **Underwriting.** The other core activity of Investment Banking is helping companies raise capital to fund their businesses. As a financial intermediary, our job is to match the capital of our investing clients – who aim to grow the savings of millions of people – with the needs of our corporate and government clients – who need financing to generate growth, create jobs and deliver products and services. Our underwriting activities include public offerings and private placements, including domestic and cross-border transactions, of a wide range of securities and other financial instruments
 - **Equity Underwriting.** We underwrite common and preferred stock and convertible and exchangeable securities. We regularly receive mandates for large, complex transactions and have held a leading position in worldwide public common stock offerings and worldwide initial public offerings for many years
 - **Debt Underwriting.** We underwrite and originate various types of debt instruments, including investment-grade and high-yield debt, bank loans and bridge loans, and growth-market debt, which may be issued by, among others, corporate, sovereign, municipal and agency issuers. In addition, we underwrite and originate structured securities, which include mortgage-related securities and other asset-backed securities

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

B. Description of Core Business Lines (cont'd)

Market-Making

- Our Market-Making businesses serve our clients who come to the Firm to buy and sell financial products, raise funding and manage risk. We do this by acting as a market maker and offering market expertise on a global basis. We make markets and facilitate client transactions in macro products (interest rate and currency) and credit, commodity and equity products. In addition, we make markets in and clear client transactions on major stock, options and futures exchanges worldwide. Market makers provide liquidity and play a critical role in price discovery, which contributes to the overall efficiency of the capital markets. Our willingness to make markets, commit capital and take risk in a broad range of products is crucial to our client relationships
- The clients of our Market-Making businesses are primarily institutions that are professional market participants, including investment entities whose ultimate customers include individual investors investing for their retirement, buying insurance or putting aside surplus cash in a deposit account
- Through our Market-Making businesses' global sales force, we maintain relationships with our clients, receiving orders and distributing investment research, trading ideas, market information and analysis. As a market maker, we provide prices to clients globally across thousands of products in all major asset classes and markets. At times we take the other side of transactions ourselves if a buyer or seller is not readily available and at other times we connect our clients to other parties who want to transact. Much of this connectivity between the Firm and its clients is maintained on technology platforms that operate globally wherever and whenever markets are open for trading
- Our Market-Making activities are organized by asset class and include both "cash" and "derivative" instruments. "Cash" refers to trading the underlying instrument (such as a stock, bond or barrel of oil). "Derivative" refers to instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors (such as an option, which is the right or obligation to buy or sell a certain bond or stock index on a specified date in the future at a certain price, or an interest rate swap, which is the agreement to convert a fixed rate of interest into a floating rate or vice versa)



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

- Set out on the following pages is financial information extracted from our Annual Report on Form 10-K for the year ended December 31, 2011
- Please see our Annual Report on Form 10-K for the year ended December 31, 2011 for the notes to these statements. The notes are an integral part of our consolidated financial statements
- Please see our Quarterly Report on Form 10-Q for the three months ended March 31, 2012 for our first quarter financial information



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

- Set forth below are the consolidated statements of earnings from our Form 10-K for the year ended December 31, 2011:

<i>in millions, except per share amounts</i>	Year Ended December		
	2011	2010	2009
Revenues			
Investment banking	\$ 4,361	\$ 4,810	\$ 4,984
Investment management	4,691	4,669	4,233
Commissions and fees	3,773	3,569	3,840
Market making	9,287	13,678	22,088
Other principal transactions	1,507	6,932	2,621
Total non-interest revenues	23,619	33,658	37,766
Interest income	13,174	12,309	13,907
Interest expense	7,982	6,806	6,500
Net interest income	5,192	5,503	7,407
Net revenues, including net interest income	28,811	39,161	45,173
Operating expenses			
Compensation and benefits	12,223	15,376	16,193
U.K. bank payroll tax	—	465	—
Brokerage, clearing, exchange and distribution fees	2,463	2,281	2,298
Market development	640	530	342
Communications and technology	828	758	709
Depreciation and amortization	1,865	1,889	1,734
Occupancy	1,030	1,086	950
Professional fees	992	927	678
Insurance reserves	529	398	334
Other expenses	2,072	2,559	2,106
Total non-compensation expenses	10,419	10,428	9,151
Total operating expenses	22,642	26,269	25,344
Pre-tax earnings	6,169	12,892	19,829
Provision for taxes	1,727	4,538	6,444
Net earnings	4,442	8,354	13,385
Preferred stock dividends	1,932	641	1,193
Net earnings applicable to common shareholders	\$ 2,510	\$ 7,713	\$12,192
Earnings per common share			
Basic	\$ 4.71	\$ 14.15	\$ 23.74
Diluted	4.51	13.18	22.13
Average common shares outstanding			
Basic	524.6	542.0	512.3
Diluted	556.9	585.3	550.9

The notes accompanying our consolidated statements of earnings in our Annual Report on Form 10-K are an integral part of our consolidated financial statements

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

- Set forth below are the consolidated statements of financial condition from our Form 10-K for the year ended December 31, 2011:

<i>in millions, except share and per share amounts</i>	As of December	
	2011	2010
Assets		
Cash and cash equivalents	\$ 56,008	\$ 39,788
Cash and securities segregated for regulatory and other purposes (includes \$42,014 and \$36,182 at fair value as of December 2011 and December 2010, respectively)	64,264	53,731
Collateralized agreements:		
Securities purchased under agreements to resell and federal funds sold (includes \$187,789 and \$188,355 at fair value as of December 2011 and December 2010, respectively)	187,789	188,355
Securities borrowed (includes \$47,621 and \$48,822 at fair value as of December 2011 and December 2010, respectively)	153,341	166,306
Receivables from brokers, dealers and clearing organizations	14,204	10,437
Receivables from customers and counterparties (includes \$9,682 and \$7,202 at fair value as of December 2011 and December 2010, respectively)	60,261	67,703
Financial instruments owned, at fair value (includes \$53,989 and \$51,010 pledged as collateral as of December 2011 and December 2010, respectively)	364,206	356,953
Other assets	23,152	28,059
Total assets	\$923,225	\$911,332
Liabilities and shareholders' equity		
Deposits (includes \$4,526 and \$1,975 at fair value as of December 2011 and December 2010, respectively)	\$ 46,109	\$ 38,569
Collateralized financings:		
Securities sold under agreements to repurchase, at fair value	164,502	162,345
Securities loaned (includes \$107 and \$1,514 at fair value as of December 2011 and December 2010, respectively)	7,182	11,212
Other secured financings (includes \$30,019 and \$31,794 at fair value as of December 2011 and December 2010, respectively)	37,364	38,377
Payables to brokers, dealers and clearing organizations	3,667	3,234
Payables to customers and counterparties	194,625	187,270
Financial instruments sold, but not yet purchased, at fair value	145,013	140,717
Unsecured short-term borrowings, including the current portion of unsecured long-term borrowings (includes \$17,854 and \$22,116 at fair value as of December 2011 and December 2010, respectively)	49,038	47,842
Unsecured long-term borrowings (includes \$17,162 and \$18,171 at fair value as of December 2011 and December 2010, respectively)	173,545	174,399
Other liabilities and accrued expenses (includes \$9,486 and \$2,972 at fair value as of December 2011 and December 2010, respectively)	31,801	30,011
Total liabilities	852,846	833,976
Commitments, contingencies and guarantees		
Shareholders' equity		
Preferred stock, par value \$0.01 per share; aggregate liquidation preference of \$3,100 and \$8,100 as of December 2011 and December 2010, respectively	3,100	6,957
Common stock, par value \$0.01 per share; 4,000,000,000 shares authorized, 795,555,310 and 770,949,268 shares issued as of December 2011 and December 2010, respectively, and 485,467,565 and 507,530,772 shares outstanding as of December 2011 and December 2010, respectively	8	8
Restricted stock units and employee stock options	5,681	7,706
Nonvoting common stock, par value \$0.01 per share; 200,000,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	45,553	42,103
Retained earnings	58,834	57,163
Accumulated other comprehensive loss	(516)	(286)
Stock held in treasury, at cost, par value \$0.01 per share; 310,087,747 and 263,418,498 shares as of December 2011 and December 2010, respectively	(42,281)	(36,295)
Total shareholders' equity	70,379	77,356
Total liabilities and shareholders' equity	\$923,225	\$911,332

The notes accompanying our consolidated statements of financial condition in our Annual Report on Form 10-K are an integral part of our consolidated financial statements



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

Capital

- As of December 2011, our total shareholders' equity was \$70.38 billion (consisting of common shareholders' equity of \$67.28 billion and preferred stock of \$3.10 billion). As of December 2010, our total shareholders' equity was \$77.36 billion (consisting of common shareholders' equity of \$70.40 billion and preferred stock of \$6.96 billion). In addition, our \$5.00 billion of junior subordinated debt issued to trusts qualified as equity capital for regulatory and certain rating agency purposes as of December 2011

Consolidated Regulatory Capital

- The Federal Reserve Board is the primary regulator of GS Group, a bank holding company and a financial holding company under the U.S. Bank Holding Company Act of 1956. As a bank holding company, we are subject to consolidated regulatory capital requirements that are computed in accordance with the Federal Reserve Board's capital adequacy regulations currently applicable to bank holding companies (which are based on the "Basel 1" Capital Accord of the Basel Committee on Banking Supervision ("Basel Committee")). These capital requirements are expressed as capital ratios that compare measures of capital to risk-weighted assets. The Firm's capital levels are also subject to qualitative judgments by its regulators about components, risk weightings and other factors
- Federal Reserve Board regulations currently require bank holding companies to maintain a minimum Tier 1 capital ratio of 4% and a minimum total capital ratio of 8%. The required minimum Tier 1 capital ratio and total capital ratio in order to be considered a "well-capitalized" bank holding company under the Federal Reserve Board guidelines are 6% and 10%, respectively. Bank holding companies may be expected to maintain ratios well above minimum levels, depending on their particular condition, risk profile and growth plans. The minimum Tier 1 leverage ratio is 3% for bank holding companies that have received the highest supervisory rating under the Federal Reserve Board guidelines or that have implemented the Federal Reserve Board's risk-based capital measure for market risk. Other bank holding companies must have a minimum Tier 1 leverage ratio of 4%



The Goldman Sachs Group, Inc. Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

- The table below presents information about our regulatory capital ratios:

\$ millions	As of December	
	2011	2010
Common shareholders' equity	\$67,279	\$70,399
Less: Goodwill	(3,802)	(3,495)
Less: Disallowable intangible assets	(1,666)	(2,027)
Less: Other deductions ¹	(6,649)	(5,601)
Tier 1 Common Capital	55,162	59,276
Preferred stock	3,100	6,957
Junior subordinated debt issued to trusts	5,000	5,000
Tier 1 Capital	63,262	71,233
Qualifying subordinated debt ²	13,828	13,880
Other adjustments	53	(220)
Tier 2 Capital	13,881	13,660
Total Capital	\$77,143	\$84,893
Risk-Weighted Assets³	\$457,027	\$444,290
Tier 1 Capital Ratio	13.8%	16.0%
Total Capital Ratio	16.9%	19.1%
Tier 1 Leverage Ratio³	7.0%	8.0%

¹ Principally includes equity investments in non-financial companies and the cumulative change in the fair value of our unsecured borrowings attributable to the impact of changes in our own credit spreads, disallowed deferred tax assets, and investments in certain nonconsolidated entities

² Substantially all of our subordinated debt qualifies as Tier 2 capital for Basel 1 purposes

³ See Note 20 to the consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for additional information about the Firm's risk-weighted assets and Tier 1 leverage ratio

- Our Tier 1 capital ratio decreased to 13.8% as of December 2011 from 16.0% as of December 2010. Our Tier 1 leverage ratio decreased to 7.0% as of December 2011 from 8.0% as of December 2010. These decreases reflected a reduction in our Tier 1 capital primarily due to the impact of the redemption of the Firm's Series G Preferred Stock and the repurchase of 47.0 million shares of our common stock, partially offset by net earnings



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

Major Funding Sources

- Our primary sources of funding are secured financings, unsecured long-term and short-term borrowings, and deposits. We seek to maintain broad and diversified funding sources globally
- We raise funding through a number of different products, including:
 - collateralized financings, such as repurchase agreements, securities loaned and other secured financings
 - long-term unsecured debt (including structured notes) through syndicated U.S. registered offerings, U.S. registered and 144A medium-term note programs, offshore medium-term note offerings and other debt offerings
 - demand and savings deposits through deposit sweep programs and time deposits through internal and third-party broker-dealers
 - short-term unsecured debt through U.S. and non-U.S. commercial paper and promissory note issuances and other methods
- We generally distribute our funding products through our own sales force retail aggregators and distributors to a large, diverse creditor base in a variety of markets in the Americas, Europe and Asia. We believe that our relationships with our creditors are critical to our liquidity. Our creditors include banks, governments, securities lenders, pension funds, insurance companies, mutual funds and individuals. We have imposed various internal guidelines to monitor creditor concentration across our funding programs
- We maintain substantial excess liquidity (“Global Core Excess”) to meet a broad range of potential cash outflows and collateral needs in the event of a stressed environment. In addition to our excess liquidity, we maintain other operating cash balances, primarily for use in specific currencies, entities, or jurisdictions where we do not have immediate access to parent company liquidity
- **Secured Funding.** We fund a significant amount of our inventory on a secured basis. Because the terms or availability of secured funding, particularly short-dated funding, can deteriorate rapidly in a difficult environment, we generally do not rely on short-dated secured funding unless it is collateralized with highly liquid securities such as government obligations. Substantially all of our other secured funding is executed for tenors of one month or greater. We seek longer terms for secured funding collateralized by lower-quality assets because these funding transactions may pose greater refinancing risk. The weighted average maturity of our secured funding, excluding funding collateralized by highly liquid securities eligible for inclusion in our Global Core Excess, exceeded 100 days as of December 2011



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

C. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources (cont'd)

Unsecured Long-Term Borrowings

- We issue unsecured long-term borrowings as a source of funding for inventory and other assets and to finance a portion of our Global Core Excess. We issue in different tenors, currencies and products to maximize the diversification of our investor base. The weighted average maturity of our unsecured long-term borrowings as of December 2011 was approximately eight years. To mitigate refinancing risk, we seek to limit the principal amount of debt maturing on any one day or during any week or year

Deposits

- As of December 2011, our bank depository institution subsidiaries, including GS Bank USA, had \$46.11 billion in customer deposits, including \$13.27 billion of certificates of deposit and other time deposits with a weighted average maturity of approximately three years, and \$32.84 billion of other deposits, substantially all of which were from deposit sweep programs. We utilize deposits to finance activities in our bank subsidiaries and to support potential outflows, such as draws on unfunded commitments

Unsecured Short-Term Borrowings

- A significant portion of our short-term borrowings were originally long-term debt that is scheduled to mature within one year of the reporting date. We use short-term borrowings to finance liquid assets and for other cash management purposes. We primarily issue commercial paper, promissory notes and other hybrid instruments. As of December 2011, our unsecured short-term borrowings were \$49.04 billion, \$28.84 billion of which was the current portion of unsecured long-term borrowings



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

D. Description of Derivative and Hedging Activities

- Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be privately negotiated contracts, which are usually referred to as over-the-counter derivatives, or they may be listed and traded on an exchange
 - **Market-Making.** As a market maker, the Firm enters into derivative transactions with counterparties to provide liquidity and to facilitate the transfer and hedging of risk. In this capacity, the Firm typically acts as principal and is consequently required to commit capital to provide execution
 - **Risk Management.** The Firm also enters into derivatives to actively manage risk exposures that arise from market-making and investing and lending activities in derivative and cash instruments. The Firm's holdings and exposures are hedged, in many cases, on either a portfolio or risk specific basis, as opposed to an instrument-by-instrument basis. The offsetting impact of this economic hedging is reflected in the same business segment as the related revenues. In addition, the Firm may enter into derivatives designated as hedges under U.S. GAAP. These derivatives are used to manage foreign currency exposure on the net investment in certain non-U.S. operations and to manage interest rate exposure in certain fixed-rate unsecured long-term and short-term borrowings, and certificates of deposit
- The Firm enters into various types of derivatives, including:
 - **Futures and Forwards.** Contracts that commit counterparties to purchase or sell financial instruments, commodities or currencies in the future
 - **Swaps.** Contracts that require counterparties to exchange cash flows such as currency or interest payment streams. The amounts exchanged are based on the specific terms of the contract with reference to specified rates, financial instruments, commodities, currencies or indices
 - **Options.** Contracts in which the option purchaser has the right, but not the obligation, to purchase from or sell to the option writer financial instruments, commodities or currencies within a defined period for a specified price
- Derivatives are accounted for at fair value, net of cash collateral received or posted under credit support agreements. Derivatives are reported on a net-by-counterparty basis (i.e., the net payable or receivable for derivative assets and liabilities for a given counterparty) when a legal right of setoff exists under an enforceable netting agreement



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

E. Memberships in Material Payment, Clearing and Settlement Systems

■ Set forth below is a list of our memberships in material payment, clearing and settlement systems:

Market	Payment, Clearing and Settlement Systems	Description of Services
Global	<ul style="list-style-type: none"> CLS 	Multi-currency cash settlement system that settles payment instructions related to trades in FX spot contracts, FX forwards, FX options, FX swaps, non-deliverable forwards, credit derivatives and seventeen major currencies
	<ul style="list-style-type: none"> SWIFT 	Telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations
Japan	<ul style="list-style-type: none"> Japan Securities Clearing Corporation 	Clearing service provider for Japanese equities and derivatives
	<ul style="list-style-type: none"> Japan Securities Depository 	Japan's central securities depository
Europe	<ul style="list-style-type: none"> Clearstream 	International central securities depository and securities settlement system
	<ul style="list-style-type: none"> Eurex Clearing AG 	Central counterparty for derivatives, equities, repo, energy and fixed income transactions
	<ul style="list-style-type: none"> Euroclear 	International Central Securities Depository and settlement services for cross-border transactions involving bonds, equities, derivatives and investment funds
	<ul style="list-style-type: none"> European Central Counterparty Ltd. 	Central counterparty clearing equities from various European markets and from the US, as well as ETFs, currency ETCs and depository receipts
	<ul style="list-style-type: none"> ICE Clear Europe 	Clearing house for OTC energy and emissions markets and European credit default swaps
	<ul style="list-style-type: none"> LCH.Clearnet Group 	Central counterparty clearing provider for commodities (exchange traded and OTC), equities, fixed income, energy and freight, and interest rate and credit default swaps
	<ul style="list-style-type: none"> NYSE Liffe Clearing 	Clearing house for the European derivatives market
United States	<ul style="list-style-type: none"> Chicago Mercantile Exchange Clearing, Inc. 	Clearing and settlement services provider for futures, options, and OTC derivatives products
	<ul style="list-style-type: none"> Depository Trust Company 	Central depository providing depository and book-entry services for eligible securities and other financial assets
	<ul style="list-style-type: none"> Fedwire 	Electronic payment system for cash in the U.S. and the central securities depository for U.S. government and agency securities
	<ul style="list-style-type: none"> Fixed Income Clearing Corporation 	Clearing, settlement, risk management, central counterparty services provider for U.S. Government securities and mortgage-backed securities
	<ul style="list-style-type: none"> ICE Clear Credit LLC 	Clearing house for North American credit default swaps
	<ul style="list-style-type: none"> ICE Clear U.S. 	Clearing house for agriculture, foreign exchange and equity index futures markets
	<ul style="list-style-type: none"> National Securities Clearing Corporation Ltd. 	Clearing, settlement, risk management, central counterparty services provider for equities, corporate and municipal debt, American depository receipts, exchange-traded funds, and unit investment trusts
	<ul style="list-style-type: none"> Options Clearing Corporation 	Central clearing and settlement services provider for options on common stocks and other equity issues, stock indices, foreign currencies, interest rate composites, single-stock futures, futures, options on futures, and securities lending transactions



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

F. Description of Foreign Operations

- The most significant overseas operating entities for the purposes of resolution planning are:
 - Goldman Sachs International (U.K. Broker-Dealer)
 - Goldman Sachs International Bank (U.K. Bank)
 - Goldman Sachs Japan Co., Ltd (Japan Broker-Dealer)
- In total, we have a physical presence in over 30 countries outside the U.S.
- At December 31, 2011 approximately 62% of the total assets of GS Group were contained in the Americas, 32% in EMEA and 6% in Asia (regions are defined on the next page)
- Due to the highly integrated nature of international financial markets, the Firm manages its businesses based on the profitability of the enterprise as a whole. The methodology for allocating profitability to geographic regions is dependent on estimates and management judgment because a significant portion of the Firm's activities require cross-border coordination in order to facilitate the needs of the Firm's clients
- Geographic results for GS Group (not just the RBCLs identified in Section B above) are generally allocated as follows:
 - Investment Banking: location of the client and investment banking team
 - Institutional Client Services: Fixed Income, Currency and Commodities Client Execution, and Equities (excluding Securities Services): location of the market-making desk; Securities Services: location of the primary market for the underlying security
 - Investing & Lending: Investing: location of the investment; Lending: location of the client
 - Investment Management: location of the sales team

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

F. Description of Foreign Operations (cont'd)

- The table below presents the total net revenues, pre-tax earnings and net earnings of the Firm by geographic region allocated based on the methodology referred to above, as well as the percentage of total net revenues, pre-tax earnings and net earnings (excluding Corporate) for each geographic region. This table includes revenues generated outside our Resolution Business Core Lines

\$ in millions	Year Ended December					
	2011		2010		2009	
Net revenues						
Americas ¹	\$ 17,873	62%	\$ 21,564	55%	\$ 25,313	56%
EMEA ²	7,074	25	10,449	27	11,595	26
Asia ^{3,4}	3,864	13	7,148	18	8,265	18
Total net revenues	\$ 28,811	100%	\$ 39,161	100%	\$ 45,173	100%
Pre-tax earnings						
Americas ¹	\$ 5,466	85%	\$ 7,934	57%	\$ 11,461	56%
EMEA ²	1,226	19	3,080	22	5,508	26
Asia ³	(231)	(4)	2,933	21	3,835	18
Subtotal	6,461	100%	13,947	100%	20,804	100%
Corporate ⁵	(292)		(1,055)		(975)	
Total pre-tax earnings	\$ 6,169		\$ 12,892		\$ 19,829	
Net earnings						
Americas ¹	\$ 3,624	78%	\$ 4,917	53%	\$ 7,120	51%
EMEA ²	1,117	24	2,236	24	4,201	30
Asia ³	(103)	(2)	2,083	23	2,689	19
Subtotal	4,638	100%	9,236	100%	14,010	100%
Corporate	(196)		(882)		(625)	
Total net earnings	\$ 4,442		\$ 8,354		\$ 13,385	

1. Substantially all relates to the U.S.

2. EMEA (Europe, Middle East and Africa). Pre-tax earnings and net earnings include the impact of the U.K. bank payroll tax for the year ended December 2010.

3. Asia also includes Australia and New Zealand.

4. The decline in net revenues in Asia compared with 2010 primarily reflects lower results in Investing & Lending, principally due to losses from public equities, reflecting a significant decline in equity markets in Asia during 2011.

5. Consists of net provisions for a number of litigation and regulatory proceedings of \$175 million, \$682 million and \$104 million for the years ended December 2011, December 2010 and December 2009, respectively; charitable contributions of \$103 million, \$345 million and \$810 million for the years ended December 2011, December 2010 and December 2009, respectively; and real estate-related exit costs of \$14 million, \$28 million and \$61 million for the years ended December 2011, December 2010 and December 2009, respectively.



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

G. Material Supervisory Authorities

Regulation

- As a participant in the banking, securities, investment management, derivatives and insurance industries, GS Group is subject to extensive regulation worldwide. The following section refers to the entire GS Group (i.e., not only the Material Entities referred to in Section A)

Supervision and Regulation

- As a bank holding company and a financial holding company under the Bank Holding Company Act of 1956 (“BHC Act”), GS Group Inc. is subject to supervision and examination by the Federal Reserve Board. Under the system of “functional regulation” established under the BHC Act, the Federal Reserve Board serves as the primary regulator of our consolidated organization, and co-ordinates with the primary regulators of our U.S. non-bank subsidiaries with respect to the activities of those subsidiaries. Such “functionally regulated” non-bank subsidiaries include broker-dealers registered with the SEC, such as our principal U.S. broker-dealer, Goldman, Sachs & Co. (“GS&Co.”)

GS Bank USA

- Our U.S. insured depository institution, GS Bank USA, is a New York state-chartered bank and a member of the Federal Reserve System. GS Bank USA is supervised by the Federal Reserve Bank of New York, the New York State Department of Financial Services and the Consumer Financial Protection Bureau, and is a member of the FDIC. GS Bank USA is subject to minimum capital requirements that are calculated in a manner similar to those applicable to bank holding companies. A number of our activities are conducted partially or entirely through GS Bank USA and its subsidiaries, including: bank loan origination and market-making; interest rate, credit, currency and other derivatives; leveraged finance; commercial mortgage origination and market-making; structured finance; and agency lending, custody and hedge fund administration services



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

G. Material Supervisory Authorities (cont'd)

U.S. Securities and Commodities Regulation

- In the U.S., the SEC is the federal agency responsible for the administration of the federal securities laws. In addition, self-regulatory organizations, such as the Financial Industry Regulatory Authority and the NYSE, adopt rules that apply to broker-dealers and have examination authority over them. The regulations put forth by these agencies are applicable to GS Group's U.S. broker-dealer subsidiaries and cover all aspects of the securities business, including the use and safekeeping of clients' funds and securities, regulatory capital requirements and capital structure, recordkeeping, sales methods, trade practices, the financing of clients' purchases, and the conduct of directors, officers and employees. Both GS&Co. and Goldman Sachs Execution and Clearing ("GSEC") are registered with the SEC as broker-dealers
- The commodity futures and commodity options industry in the U.S. is subject to regulation under the U.S. Commodity Exchange Act ("CEA"), which is administered by the Commodity Futures Trading Commission ("CFTC"). Several of Goldman Sachs' subsidiaries, including GS&Co. and GSEC, are registered with the CFTC and act as futures commission merchants, commodity pool operators or commodity trading advisors, and are subject to CEA regulations. The rules and regulations of various self-regulatory organizations, such as the Chicago Board of Trade and the Chicago Mercantile Exchange, other futures exchanges and the National Futures Association, also govern the commodity futures and commodity options activities of these entities
- Our exchange-based market-making activities are subject to extensive regulation by a number of securities exchanges. As a Designated Market Maker on the NYSE and as a market maker on other exchanges, we are required to maintain orderly markets in the securities to which we are assigned, and this may require us to supply liquidity to these markets in certain circumstances
- Our U.S. investment management entity, Goldman Sachs Asset Management, L.P., is authorized by the SEC, the Ontario Securities Commission and the Securities and Exchange Board of India
- J. Aron & Company is authorized by the U.S. Federal Energy Regulatory Commission ("FERC") to sell wholesale physical power at market-based rates. As a FERC-authorized power marketer, J. Aron & Company is subject to regulation under the U.S. Federal Power Act and FERC regulations and to the oversight of FERC. As a result of our investing activities, GS&Co. is also an "exempt holding company" under the U.S. Public Utility Holding Company Act of 2005 and applicable FERC rules



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

G. Material Supervisory Authorities (cont'd)

Regulation Outside the United States

- Many of our subsidiaries outside the U.S. are supervised by the banking, securities industry or insurance regulators of the countries in which they operate. The regulations to which these subsidiaries are subject are, in most cases, broadly similar to those that prevail in the U.S. and are generally intended to meet similar objectives
- In the United Kingdom, the Financial Services Authority (“FSA”) regulates Goldman Sachs International, our U.K. broker-dealer; Goldman Sachs International Bank, our U.K. bank; and Goldman Sachs Asset Management International, our U.K. investment management subsidiary
- Elsewhere in Europe, various other GS Group entities are regulated by the banking and securities industry supervisors of the countries in which they operate. These include the Federal Financial Supervisory Authority and the Bundesbank in Germany, the Autorité de Contrôle Prudentiel and the Autorité des Marchés Financiers in France, Banca d’Italia and the Commissione Nazionale per le Società e la Borsa in Italy, the Federal Financial Markets Service and the Central Bank of the Russian Federation and the Swiss Financial Market Supervisory Authority. Our Irish bank subsidiary, GS Bank Europe, is regulated by the Central Bank of Ireland
- Our broker-dealer subsidiary in Japan, Goldman Sachs Japan Co., Ltd. is regulated by Japan’s Financial Services Agency. It is also regulated by the Tokyo Stock Exchange, the Osaka Securities Exchange, the Tokyo Financial Exchange, the Japan Securities Dealers Association, the Tokyo Commodity Exchange, Securities and Exchange Surveillance Commission, Bank of Japan, the Ministry of Finance and the Ministry of Economy, Trade and Industry, among others
- Elsewhere in Asia, certain subsidiaries of GS Group are regulated by banking and securities industry supervisors of the countries in which they operate. These include the Securities and Futures Commission in Hong Kong, the Monetary Authority of Singapore, the China Securities Regulatory Commission, the Korean Financial Supervisory Service, the Reserve Bank of India and the Securities and Exchange Board of India
- In other countries, subsidiaries of GS Group are regulated by the Australian Securities and Investments Commission, the Australian Securities Exchange and the Central Bank of Brazil, among others
- In addition, certain of our insurance subsidiaries are regulated by the Bermuda Monetary Authority and the FSA



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

H. Principal Officers

Executive Officers of the GS Group

- Set forth below are the name, present title, principal occupation and certain biographical information for our executive officers as included in our Annual Report on Form 10-K. All of our executive officers have been appointed by and serve at the pleasure of our board of directors
 - **Lloyd C. Blankfein.** Mr. Blankfein has been our Chairman and Chief Executive Officer since June 2006, and a director since April 2003. Previously, he had been our President and Chief Operating Officer since January 2004. Prior to that, from April 2002 until January 2004, he was a Vice Chairman of Goldman Sachs, with management responsibility for Goldman Sachs' Fixed Income, Currency and Commodities Division ("FICC") and Equities Division ("Equities"). Prior to becoming a Vice Chairman, he had served as co-head of FICC since its formation in 1997. From 1994 to 1997, he headed or co-headed the Currency and Commodities Division. Mr. Blankfein is not currently on the board of any public company other than Goldman Sachs. He is affiliated with certain non-profit organizations, including as a member of the Dean's Advisory Board at Harvard Law School, the Dean's Council at Harvard University and the Advisory Board of the Tsinghua University School of Economics and Management, an overseer of the Weill Medical College of Cornell University, and a member of the Board of Directors of the Partnership for New York City
 - **Alan M. Cohen.** Mr. Cohen has been an Executive Vice President of Goldman Sachs and our Global Head of Compliance since February 2004. From 1991 until January 2004, he was a partner in the law firm of O'Melveny & Myers LLP. He is affiliated with certain non-profit organizations, including as a board member of the New York Stem Cell Foundation
 - **Gary D. Cohn.** Mr. Cohn has been our President and Chief Operating Officer (or Co-Chief Operating Officer) and a director since June 2006. From December 2003 to June 2006, he was the co-head of our global Securities businesses, having been the co-head of FICC since September 2002. Prior to that, Mr. Cohn served as co-chief operating officer of FICC after having been responsible for Commodities and a number of other FICC businesses from 1999 to 2002. He was the head of Commodities from 1996 to 1999. Mr. Cohn is not currently on the board of any public company other than Goldman Sachs. He is affiliated with certain non-profit organizations, including NYU Hospital, NYU Medical School, the Harlem Children's Zone and American University
 - **Edith W. Cooper.** Ms. Cooper has been an Executive Vice President of Goldman Sachs since April 2011 and our Global Head of Human Capital Management since March 2008. From 2002 to 2008, she served in various positions at the Firm, including sales management within the Securities Division. In 2002, she was responsible for the Firm's Futures business and, prior to that, she was co-head of the commodities business in Europe and Asia



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

H. Principal Officers (cont'd)

- J. Michael Evans.** Mr. Evans has been the global head of Growth Markets since January 2011, a Vice Chairman of Goldman Sachs since February 2008 and chairman of Goldman Sachs Asia since 2004. Prior to becoming a Vice Chairman, he had served as global co-head of Goldman Sachs' securities business since 2003. Previously, he had been co-head of the Equities Division since 2001. Mr. Evans serves as a trustee of the Bendheim Center for Finance at Princeton University, serves as Chairman of the Board of Right to Play, USA, is a member of the Board of City Harvest and is a trustee of The Asia Society
- Gregory K. Palm.** Mr. Palm has been an Executive Vice President of Goldman Sachs since May 1999, and our General Counsel and head or co-head of the Legal Department since May 1992
- John F.W. Rogers.** Mr. Rogers has been an Executive Vice President of Goldman Sachs since April 2011 and Chief of Staff and Secretary to the Board of Directors of Goldman Sachs since November 2001. He joined the Firm in 1994 in the Fixed Income division and served in various positions from 1994 to 2001. Prior to joining Goldman Sachs, he was a senior fellow at the Baker Institute at Rice University, having served as Under Secretary of State for Management at the U.S. Department of State from 1991 to 1993. From 1988 to 1991, he was Executive Vice President of the Oliver Carr Company and, prior to that, Assistant Secretary of the Treasury from 1985 to 1987 and Assistant to the President for Management and Administration from 1981 to 1985. Mr. Rogers is chairman of the boards of the Goldman Sachs Foundation and Goldman Sachs Gives
- Michael S. Sherwood.** Mr. Sherwood has been a Vice Chairman of Goldman Sachs since February 2008 and co-chief executive officer of Goldman Sachs International since 2005. Prior to becoming a Vice Chairman, he had served as global co-head of Goldman Sachs' securities business since 2003. Prior to that, he had been head of the Fixed Income, Currency and Commodities Division in Europe since 2001
- David A. Viniar.** Mr. Viniar has been an Executive Vice President of Goldman Sachs and our Chief Financial Officer since May 1999. He has been the head of Operations, Technology, Finance and Services Division since December 2002. He was head of the Finance Division and co-head of Credit Risk Management and Advisory and Firmwide Risk from December 2001 to December 2002. Mr. Viniar was co-head of Operations, Finance and Resources from March 1999 to December 2001. He was Chief Financial Officer of The Goldman Sachs Group, L.P. from March 1999 to May 1999. From July 1998 until March 1999, he was Deputy Chief Financial Officer and from 1994 until July 1998, he was head of Finance, with responsibility for Controllers and Treasury. From 1992 to 1994, he was head of Treasury and prior to that was in the Structured Finance Department of Investment Banking. He also serves on the Board of Trustees of Union College
- John S. Weinberg.** Mr. Weinberg has been a Vice Chairman of Goldman Sachs since June 2006. He has been co-head of Goldman Sachs' Investment Banking Division since December 2002. From January 2002 to December 2002, he was co-head of the Investment Banking Division in the Americas. Prior to that, he served as co-head of the Investment Banking Services Department since 1997. He is affiliated with certain non-profit organizations, including as a trustee of New York-Presbyterian Hospital and the Brunswick School, and as a member of the Board of Directors of The Steppingstone Foundation. Mr. Weinberg also serves on the Visiting Committee for Harvard Business School

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

- Our Resolution Plan’s governing and oversight bodies consist of the following groups and individuals:
 - The **Board of Directors** (the “Board”) of Group Inc. is the body responsible for establishing the strategic direction of GS Group and overseeing the performance of GS Group’s business and management. The Board is responsible for providing general oversight for the Resolution Plan. The Board reviews and approves the Resolution Plan initially and on an annual basis. In addition, at its regularly held or special meetings, the Board will review and approve any significant changes to the Resolution Plan that may occur during the year before submission to our Supervisors
 - **Senior executives** of GS Group, including the **Chief Financial Officer** and other key members of the **Executive Office** and the **Firmwide Finance Committee**, are responsible for oversight of the Resolution Plan’s development, maintenance, implementation, filing and compliance. Annually (and at other Board meetings as needed), these senior executives are also responsible for presenting the Resolution Plan to the Board for its review and approval
 - The Resolution Plan’s **Steering Committee** is made up of key GS Group managing directors, who are involved in the Resolution Plan’s management oversight and control. The Steering Committee actively works to develop and maintain the Resolution Plan and to ensure the Resolution Plan contains information needed based on the relevant rules and on the materials and feedback provided in regular meetings held with our Supervisors. The Steering Committee, through the **Committee Operating Officer**, coordinates the activities of various workstream leads in the development and maintenance of specific parts of the Resolution Plan. In addition, the Steering Committee provides direction and strategy for the Resolution Plan, helps to resolve issues and policy decisions, approves scope changes and Resolution Plan deliverables. The Steering Committee also acts as a liaison to the senior executive level (including the Executive Office and the Firmwide Finance Committee) and to our Supervisors. The Steering Committee meets frequently (usually weekly)
 - The **Committee Operating Officer** is the senior management official primarily responsible for overseeing the development, maintenance, implementation, and filing of the Resolution Plan and for GS Group’s compliance with the Final Rule. The Committee Operating Officer is responsible for the day-to-day creation, monitoring and maintenance of the workstream activities that develop specific components of the Resolution Plan. The Committee Operating Officer and the team that supports him are the content experts and manage the overall Resolution Plan activities, meet with the various global regulatory bodies, respond to requested comments from various regulatory proposals, and engage directly with the Steering Committee as well as the Board and the Firmwide Finance Committee, as necessary
 - **Internal Audit** will provide oversight of the relevant procedures and controls with respect to the Resolution Plan



The Goldman Sachs Group, Inc. Summary of Resolution Plan

I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning (cont'd)

General Process

- The Resolution Plan was developed under the direction of the Steering Committee and under the oversight of the Firmwide Finance Committee and the Executive Office
- The Steering Committee is co-chaired by the Firm's Chief Accounting Officer, Chief Risk Officer and Head of Operations, and its supporting group includes the Committee Operating Officer and representatives of a wide range of departments, including our Legal, Controllers, Operations, Corporate Treasury and Technology departments
- The Resolution Plan was reviewed and approved by the Board. On an annual basis, the Resolution Plan will be updated and presented to the Board for its review and approval prior to submission to our Supervisors
- In addition, we expect that the Resolution Plan will be updated as we obtain additional feedback from our Supervisors. As required by the Final Rule, notification will be made to our Supervisors within 45 days in the event that a change in circumstances results in a material effect on the Resolution Plan. The Resolution Plan will be reviewed and, where necessary, updated upon occurrence of specific events such as an acquisition of a new business, the sale of any significant businesses or significant changes to Material Entities, Core Business Lines and/or Critical Operations

Process Steps

- The various components of the Resolution Plan were developed by the Committee Operating Officer and members of the Steering Committee based on the underlying regulations, communications with our Supervisors, and information and communications with various divisions of GS Group
- The Steering Committee had previously overseen the preparation of the GS Group Recovery Plan. The insights gained during this exercise proved invaluable as we considered the additional complexity required to develop a Resolution Plan
- The Steering Committee operates by receiving presentations on various topics, both from internal teams and from external advisors (legal and financial consultants), and by discussing the issues raised in order to formulate a direction for the Resolution Plan



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning (cont'd)

- The Steering Committee, which usually met weekly:
 - Analyzed the baseline scenario assumptions provided by our Supervisors and the additional assumptions prepared internally
 - Analyzed counterparties' contractual rights, based on advice from internal and external counsel
 - Considered the various resolution strategies available to GS Group and, in consultation with external legal advisors, determined which strategies we should adopt
 - Leveraged a broad range of financial and other relevant information from our Management Information Systems ("MIS")
 - Determined our Core Business Lines and Material Entities based on the information from our MIS
 - Reviewed our Critical Operations, as determined by our Supervisors, and considered how they could be maintained, sold or wound down in a rapid and orderly manner
 - Assessed the interaction between the resolution regimes in the various jurisdictions in which GS Group operates and the impact on the resolution strategies
 - Scrutinized potential impediments to resolution and their mitigants
- The Resolution Plan was developed and presented broadly across the Firm. This included discussions with subject matter experts, senior management and various internal governance committees in a number of jurisdictions globally. Once vetted internally, the Resolution Plan was presented to the Firmwide Finance Committee for review and approval
- The Resolution Plan was presented to the Executive Office, including the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer of GS Group and then to the Board for review and approval
- The Resolution Plan was submitted to our Supervisors on June 29, 2012

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

J. Description of Material Management Information Systems

- Our MIS have been used extensively to prepare financial and other information used in the preparation of our Resolution Plan
- MIS are critical to the Firm's key functions, which include trade booking, trade processing, valuation, risk management, cash and securities clearance and settlement, collateral management, funding, daily profit and loss calculation and reporting, accounting, financial reporting, and regulatory reporting. In most cases, a single application or information system supports a given function across businesses, product lines and entities; this allows for a significant level of consistency in the functionality and reporting available
- The majority of the software applications used by the Firm are internally developed proprietary applications; although we also utilize third-party vendor applications
- We focus on the rigor and effectiveness of the Firm's risk and financial reporting systems. The goal of our risk and financial reporting management technology is to provide the right information to the right people at the right time, which requires systems that are comprehensive, reliable and timely. We devote significant time and resources to our risk management and financial reporting technology to ensure that it consistently provides us with complete, accurate and timely information, not only on an aggregated GS Group view, but also at an entity and a business line level
- Our MIS have extensive ad hoc reporting capabilities, and most of our systems include legal entity information as part of the data they manage. As a result, we do not believe that there are material gaps or weaknesses in our ability to provide relevant data in a crisis scenario
- Our MIS are overseen by an extensive governance framework, with documented policies, standards and procedures
- The Firm has a broad business resilience program) focused on mitigating a wide array of risks. For instance, we have multiple data centers, resilient desktops and capacity support to enable home working. We also have business recovery sites and capacity around the world. This business resilience program is designed to ensure that all critical applications are available for use in crisis scenarios
- GS Group has implemented a framework for managing access to systems and applications across the Firm. Access to each individual application must be requested and granted separately, in most cases by the business team responsible for the application's function
- In the area of information security, we have developed and implemented a framework of principles, policies and technology to protect the information assets provided to us by our clients and those of the Firm from cyber attacks and other misappropriation, corruption or loss. Safeguards are applied to maintain the confidentiality and availability of information resources



The Goldman Sachs Group, Inc.

Summary of Resolution Plan

K. High-Level Description of Resolution Strategy, Covering Such Items as the Range of Potential Purchasers of the Company, its Material Entities and Core Business Lines

- We believe that the resolution planning process, as required by our Supervisors, is a critical building block in the development of orderly resolution plans for major financial institutions that will address the “too big to fail” problem, an objective we fully support. We also support the goal that all financial institutions, regardless of size or complexity, should be able to be resolved without cost to the taxpayer
- We look forward to working with our Supervisors on the next steps in this process, including the role of recovery plans, and the use of additional stress scenarios
- These next steps might materially alter the specific choices undertaken as part of the recovery and/or resolution planning process
- Recovery plans and resolution plans are intended to facilitate the restructuring of a financial institution that finds itself under great stress in order to either preserve the going concern nature of the organization or to resolve it (i.e., an orderly wind-down of the organization). Recovery plans focus on the steps that management would take to reduce risk, divest non-core businesses and conserve capital in times of severe stress. In contrast to a recovery plan, a resolution plan is premised on failure. The objective of a resolution plan is to identify and mitigate obstacles to an orderly resolution, as well as to facilitate advanced planning and co-ordination between the covered company and its supervisors. Such coordinated resolution planning is a valuable learning process for Goldman Sachs and our Supervisors
- While Goldman Sachs has previously submitted a recovery plan to our Supervisors, this is the first submission of our Resolution Plan. Supervisors have set out a specific approach to developing a resolution plan for firms such as GS Group. This approach includes an iterative process (i.e., submission then feedback over a period of time with changed assumptions for future years’ submissions). It is important to note that this initial submission of our Resolution Plan is also based upon specific guidance and baseline assumptions provided to us by our Supervisors. Additionally, and in accordance with the Final Rule and Dodd-Frank, our Resolution Plan assumes no extraordinary government support and further assumes that the Firm is resolved under the U.S. Bankruptcy Code and other applicable liquidation proceedings

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

K. High-Level Description of Resolution Strategy, Covering Such Items as the Range of Potential Purchasers of the Company, its Material Entities and Core Business Lines (cont'd)

- Specifically, our Resolution Plan has been prepared with the following baseline assumptions provided to us by our Supervisors:
 - Sudden, idiosyncratic material financial distress at GS Group with no previous disruption to the markets
 - All Material Entities of GS Group have entered some form of bankruptcy
 - Markets are functioning normally
 - Other market participants are assumed to be in good financial condition
 - Funding markets are open for other market participants
 - No extraordinary government support
- The circumstances leading to the failure of a systemically important financial institution will likely be different than the specific assumptions listed above, and we expect that future submissions of our Resolution Plan will include other conditions and may have different assumptions. These changes might materially alter the specific choices undertaken as part of a resolution process. We would also expect future iterations of our plan may include consideration of potential actions under the FDIC's Orderly Liquidation Authority and other supervisory approaches contemplated by the relevant statutes. These alternative approaches may be more appropriate for certain firms in some specific situations, while still ensuring that bank failure creates no cost to the taxpayer
- In understanding our Resolution plan, it is also important to recognize the integrated nature of international financial markets. The Firm manages its businesses with regard to the enterprise as a whole. The methodology for serving our clients, managing risk, and maximizing group wide profitability is dependent on the global capabilities of the Firm. As such, a significant portion of the Firm's activities require cross border coordination in order to facilitate the needs of our clients and this coordination will extend into the resolution process, including through the coordination of our Supervisors across those jurisdictions where we have the greatest concentration of our businesses
- We considered a variety of resolution options for the GS Group, paying particular attention to:
 - The resolution regimes in the countries in which our Material Entities are domiciled
 - The contractual terms of our transactions (particularly the qualified financial contracts) with counterparts and how they would be impacted by the bankruptcy of our Material Entities
- Our Material Entities will be subject to various bankruptcy proceedings in the jurisdictions in which they are domiciled. These proceedings will include: FDIC receivership for our U.S. bank; SIPA liquidation for our U.S. broker-dealers; relevant broker-dealer resolution regimes in the U.K. and Japan; and various other bankruptcy proceedings for our other Material Entities

The Goldman Sachs Group, Inc.

Summary of Resolution Plan

K. High-Level Description of Resolution Strategy, Covering Such Items as the Range of Potential Purchasers of the Company, its Material Entities and Core Business Lines (cont'd)

- We believe that selling the businesses and assets of our Material Entities to one or multiple buyers post-proceeding, would avoid a GS Group-wide asset liquidation and is therefore likely to have a less disorderly impact on the market. Any sale would need to be conducted quickly with the benefit of expedited and coordinated regulatory approvals to maintain the franchise value of the Firm
- If it proves impossible to sell GS Group businesses and assets then it would be possible to liquidate a substantial majority of GS Group's assets. This strategy would likely take more time than sales of the businesses and assets of the Material Entities and would likely not achieve maximum recovery for stakeholders as franchise value would likely erode quickly
- We believe the potential purchasers for the businesses or assets of our Material Entities and for other non-Resolution Business Core Lines of Goldman Sachs could include global financial institutions, private equity funds, insurance companies or sovereign wealth funds
- Based on the specific assumptions provided by our Supervisors, for this baseline scenario, we believe that our Resolution Plan, in conjunction with the Firm's well-established risk management practices, conservative liquidity management practices and rigorous approach to determining the fair value of our assets, provides a process to enable a GS Group resolution. This conclusion is also based upon:
 - Our strong financial position at December 31, 2011 with a Tier I capital ratio of 13.8% and significant excess liquidity of \$171.6 billion
 - Our assessment of the type of bankruptcy proceedings that would be commenced
 - The alternative resolution strategies we have identified, including the sale of businesses and assets of our Material Entities individually or as a package or by the liquidation of the assets of GS Group